

MEMORANDUM



Public Works Department

Date: June 12, 2014

To: Tempe City Council

From: Don Bessler, Public Works Director (350-8205)
Ken Jones, Finance and Technology Director (350-8504)
Shelly Seyler, Deputy Public Works Director – Transportation (350-8854)

Subject: Comprehensive Transit Fund Review

The purpose of this memo is to present the Council with a financial planning tool for which to approach policy discussions for transit-related program modifications, services and projects in the context of revenue sources, expenditures and the forecast of funds available in future fiscal years.

BACKGROUND

The city of Tempe's Transit Program is funded through several mechanisms and the information below provides a snapshot of those sources and associated revenue projected for FY 2013/14:

• Tempe ½ ¢ Transit Sales Tax -	\$31.6 million or 57% of revenue
• EVBOM Maintenance & Fuel (RPTA) -	\$6.1 million or 11% of revenue
• Bus Fares -	\$3.6 million or 7% of revenue
• Rail Fares -	\$3.3 million or 6% of revenue
• CIP Federal Grants -	\$3.2 million or 6% of revenue
• Public Transportation Fund (PTF) Funding / Bus O & M -	\$2.4 million or 4% of revenue
• Bus Preventative Maintenance -	\$2.0 million or 4% of revenue
• ASU Flash -	\$819,000 or 1% of revenue
• Alt Fuel Credit -	\$492,000 or 1% of revenue
• Other Misc. Lease -	\$480,000 or 1% of revenue
• Local Transportation Assistance fund (LTAF) II -	\$476,000 or 1% of revenue
• Rail Preventative Maintenance / Advertising -	\$407,000 or 1% of revenue
• Transit Store Revenue -	\$293,000 or <1% of revenue
• Interest Earnings -	\$105,000 or <1% of revenue

*The fund balance policy for the transit fund is currently 25% of operating expenditures.

Conversely, below is a list of expenditures anticipated for FY 2013/14:

• Bus Operations Contract -	\$22.1 million or 37% of expenses
• Light Rail Revenue Operations -	\$10.4 million or 17% of expenses
• Capital Improvement Projects -	\$9.5 million or 16% of expenses
• Bus Operations/Maintenance/Fuel -	\$6.1 million or 10% of expenses

• Debt Services -	\$4.6 million or 8% of expenses
• Administration -	\$1.5 million or 2% of expenses
• Bus Stop/Bike Path Maintenance-	\$1.2 million or 2% of expenses
• Transit Store – Bus Fare Media -	\$1 million or 2% of expenses
• Planning and Project Review -	\$920,000 or 2% of expenses
• Security -	\$785,000 or 1% of expenses
• Transportation Center O & M -	\$743,000 or 1% of expenses
• Marketing -	\$545,000 or 1% of expenses
• Transportation Systems- LRT Signals -	\$296,000 or 1% of expenses

The attached Transit à La Carte tool includes the five year financial forecast for the Transit Fund given current programs and projected revenues, as well as a high level overview of established program costs. The projects listed in this tool are for consideration as possible future projects. The current Streetcar project operations costs are already included in the Transit Budget and the Streetcar column in the attachment refers to future extensions.

In addition, staff has begun the process for seeking public input on the Transportation Master Plan (TMP) which will provide the Council with insight as to which transportation projects are priorities for residents. The Council will have an opportunity to review the public input in September/October 2014. More information about the TMP can be found at www.tempe.gov/transportationplan

ATTACHMENT

Attachment 1: Comprehensive Transit Fund - Transit à La Carte Menu PowerPoint